

Committee on Ways and Means

HIGHLIGHTS OF BIPARTISAN TRADE CONFERENCE AGREEMENT

Trade Promotion Authority:

- Incorporates into principal negotiating objectives provisions:
 - to respect the declaration on the Trade-Related Aspects of Intellectual Property (TRIPs) Agreement and public health adopted at the WTO Ministerial in November 2001
 - to obtain reciprocal market access for U.S. exports of textiles and apparel
 - to reduce trade-distorting barriers to foreign investment, while ensuring that foreign investors in the United States are not accorded greater substantive rights with respect to investment protections than U.S. investors in the United States; to seek to establish standards for fair and equitable treatment consistent with U.S. legal principles and practice, including the principle of due process; and to provide for an appellate body or similar mechanism to provide coherence to the interpretations of investment provisions in trade agreements
 - to seek commitments by trade agreement parties to vigorously enforce their own laws prohibiting the worst forms of child labor; and overall negotiating objective to promote universal compliance with ILO Declaration 182 concerning the worst forms of child labor
- Includes stronger negotiating objectives and consultation procedures to preserve U.S. trade remedy laws
 - principal negotiating objective to preserve the ability of the United States to enforce rigorously its trade laws, avoid agreements that lessen the effectiveness of unfair trade disciplines, and address and remedy market distortions that lead to dumping and subsidization
 - principal negotiating objective to seek adherence by WTO dispute settlement panels and the Appellate Body to the appropriate standard of review in the relevant WTO agreement
 - new requirement for the President to provide 180-day advance report on proposals advanced in trade negotiations that could require amendments to trade remedy laws, and any Member may introduce a privileged nonbinding resolution which identifies whether the proposals referred to in the President's report are consistent with the trade remedy negotiating objectives
- Includes new definition of import sensitive agriculture to encompass products subject to tariff rate quotas, as well as products subject to the lowest tariff reductions in the Uruguay Round

- Requires the President to issue a meaningful report on labor rights for every trade agreement partner

Trade Adjustment Assistance:

- Extend TAA for 5 years
- Statutory secondary worker benefits for upstream workers, as well as for downstream workers affected by trade to Canada and Mexico
- Receive benefits if firm merely shifts production to any country with a free trade agreement with the United States or to a country eligible under the Caribbean Basin Initiative, the Africa Growth and Opportunity Act, or the Andean Trade Preferences Act
- Receive benefits if firm shifts production to a country and imports have increased or are likely to increase
- Health care tax credit for TAA beneficiaries
- Alternative Trade Adjustment Assistance for Older Workers, including health care tax credit
- Health care tax credit for workers covered by the Pension Benefit Guarantee Board
- TAA for farmers unless entitled to benefits under Farm Bill
- Add 26 weeks of benefits to match training
- Speed certification process from 60 days to 40

Andean Trade Preferences:

- Expands benefits for Andean apparel made of U.S. fabric, which must be dyed and finished in the United States
- Expands benefits for Andean apparel made of regional fabric, subject to a cap
- Expands benefits for Andean tuna in packages (not cans) with U.S. or Andean flagged vessels, recalculates tariff rate quota for non-Andean countries to consumption basis, and requires U.S. or Andean flag vessels

Caribbean Trade Benefits:

- Increases cap for apparel made in region of regional knit fabric made of U.S. yarn
- Increases cap for T-shirts made in region of regional knit fabric made of U.S. yarn
- Requires dyeing and finishing of fabric made in region of U.S. yarn, including hybrid cutting

African Trade Benefits:

- Increases cap for apparel made of regional fabric
- Increases benefits for Botswana and Namibia
- Allows benefits for merino wool sweaters

Other provisions:

- Customs budget authorization, with increased funding for borders and transshipment
- Allows unsealed outbound mail and outbound mail in excess of 16 oz. to be opened but not read without a warrant
- Provides immunity for Customs inspectors who act in good faith by following federal inspection procedure
- Duty benefits for nuclear steam generators
- Renews GSP through 2006; new criteria on worst forms of child labor and terrorism